



Chance Barnett Contributor

I write about funding your startup.

Opinions expressed by Forbes Contributors are their own.

ENTREPRENEURS 5/08/2013 @ 9:00AM | 1,516,160 views

Top 10 Crowdfunding Sites For Fundraising

[Comment Now](#)

Unless you've been living in a remote island for the last few years, you've heard about crowdfunding or stories of people raising thousands or millions of dollars online.

In fact, there's been so much chatter out there about crowdfunding that people love to throw out the line "yeah, I've heard there are something like 500 crowdfunding sites." While hundreds of sites may be popping up, not all of them have real communities and funding successes under their belt.

Which begs the question... what crowdfunding site is best for you?

[Disclosure: I'm the CEO of Crowdfunder and have personal relationships with many of the founders and teams at the sites listed, though I stand behind my picks here as guidance of value for people looking for the right site.]

As a crowdfunding industry insider, I thought I'd give you an easy guide for which site to go to for your crowdfunding needs.

I'll start with a tiny overview of the industry, a short primer on the different types of crowdfunding so you know what you're looking for, and then I'll get to specific recommendations for you.

The Crowdfunding Industry

Collaboration on the web is an area of exponential growth. Crowdfunding, or collaborative funding via the web, is one of the standouts for growth in this evolving collaborative economy.

The [Crowdfunding Industry Report](#) by Massolution put out data showing the overall crowdfunding industry has raised \$2.7 billion in 2012, across more than 1 million individual campaigns globally. In 2013 the industry is projected to grow to \$5.1 billion.

The Forbes eBook To Succeed In A Brutal Job Market

Don't let a rotten economy spoil your goals. Use the career and money advice in *The Millennial Game Plan* to get and stay ahead for good.

Some of the most interesting developments in crowdfunding, which are expected to grow in the months and years ahead, include: investment crowdfunding (becoming a shareholder in a company), localization (funding focused on participants in specific cities and neighborhoods), mobile solutions, and group-based approaches.

The [JOBS Act](#) that was passed in April of 2012 paved the way to [investment crowdfunding](#), but the [JOBS Act Rulings by the SEC](#) have yet to be fully implemented to formally kick the market off. Expect big movement and activity in this area in 2013 and 2014.

Crowdfunding Models

There are 2 main models or types of crowdfunding. The first is what's called donation-based funding. The birth of crowdfunding has come through this model, where funders donate via a collaborative goal based process in return for products, perks or rewards.

The second and more recent model is [investment crowdfunding](#), where businesses seeking capital sell ownership stakes online in the form of equity or debt. In this model, individuals who fund become owners or shareholders and have a potential for financial return, unlike in the donation model.

Crowdfunding Sites To Choose From

Business owners are using different crowdfunding sites than musicians. Musicians are using different sites from causes and charities. Below is a list of crowdfunding sites that have different models and focuses. This list can help you find the right place for your crowdfunding goals and needs.

1. Kickstarter

[Kickstarter](#) is a site where creative projects raise donation-based funding. These projects can range from new creative products, like an art installation, to a cool watch, to pre-selling a music album. It's not for businesses, causes, charities, or personal financing needs. Kickstarter is one of the earlier platforms, and has experienced strong growth and many break-out large campaigns in the last few years.

2. Indiegogo

While Kickstarter maintains a tighter focus and curates the creative projects approved on its site, [Indiegogo](#) approves donation-based fundraising campaigns for most anything — music, hobbyists, personal finance needs, charities and whatever else you could think of (except investment). They

have had international growth because of their flexibility, broad approach and their early start in the industry.

3. Crowdfunder

Crowdfunder.com is the platform for raising investment (not rewards), and has a one of the largest and fastest growing network of investors. It was recently featured on Fox News as the new breed of crowdfunding due to the story about a \$2 Billion exit of a crowdfunded company. After getting rewards-based funding on Kickstarter or Indiegogo, companies are often giving the crowd the opportunity to invest at Crowdfunder to raise more formal Seed & Series A rounds.

Crowdfunder offers equity crowdfunding currently only from individuals + angels + VCs, and was a leading participant in the JOBS Act legislation.

4. RocketHub

Rockethub powers donation-based funding for a wide variety of creative projects.

What's unique about RocketHub is their FuelPad and LaunchPad programs that help campaign owners and potential promotion and marketing partners connect and collaborate for the success of a campaign.

5. Crowdrise

Crowdrise is a place for donation-based funding for Causes and Charity. They've attracted a community of do-gooders and and fund all kinds of inspiring causes and needs.

A unique Points System on Crowdrise helps track and reveal how much charitable impact members and organizations are making.

6. Somolend

Somolend is a site for lending for small businesses in the US, providing debt-based investment funding to qualified businesses with existing operations and revenue. Somolend has partnered with banks to provide loans, as well as helping small business owners bring their friends and family into the effort.

With their Midwest roots, a strong founder who was a leading participant in the JOBS Act legislation, and their focus and lead in the local small business market, Somolend has begun expanding into multiple cities and markets in the US.

7. appbackr

If you want to build the next new mobile app and are seeking donation-based funding to get things off the ground or growing, then check out appbackr and their niche community for mobile app development.

8. AngelList

If you're a tech startup with a shiny lead investor already signed on, or looking for for Silicon Valley momentum, then there are angels and institutions finding investments through [AngelList](#). For a long while AngelList didn't say that they did crowdfunding, which makes sense as they have catered to the investment establishment of VCs in tech startups, but now they're getting into the game. The accredited investors and institutions on AngelList have been funding a growing number of top tech startup deals.

9. Invested.in

You might want to create your own crowdfunding community to support donation-based fundraising for a specific group or niche in the market. [Invested.in](#) is a Venice, CA based company that is a top name "white label" software provider, giving you the tools to get started and grow your own.

10. Quirky

If you're an inventor, maker, or tinkerer of some kind then [Quirky](#) is a place to collaborate and crowdfund for donation-based funding with a community of other like-minded folks. Their site digs deeper into helping the process of bringing an invention or product to life, allowing community participation in the process.

These 10 crowdfunding sites cover most campaign types or funding goals you might have. Whether you're looking to fundraise or not, go check out the sites here that grab your attention and get involved in this collaborative community.

How Crowdfunding Is Shaping A New Economy

Crowdfunding has revitalized the Arts at a time when public programs that support it are steadily dying off.

Crowdfunding is growing a market for [impact investing in social enterprises](#), marrying the worlds of entrepreneurship and philanthropy, and helping a broader base of investors to back companies for both [profits and purpose](#).

Crowdfunding is accelerating angel investing and creating an entirely new market for [investment crowdfunding for businesses](#).

So get involved and join a crowdfunding community today. You'll make a difference for a project or business owner, and also help build a new and more collaborative economy.